

SUMMARY

While many agree that ORC is a national problem, there is debate over the federal government's role in deterring ORC and sanctioning various actors that may be involved in committing or aiding these crimes. One policy issue facing Congress is whether criminalizing organized retail crime in the U.S. Code would allow for more effective investigation and prosecution of these criminals. Congress may also wish to consider whether regulating resale marketplaces (online markets, in particular), to require such entities to increase information sharing with retailers and law enforcement, would strengthen investigations and prosecutions of ORC as well as decrease the prevalence of retail thieves relying on legitimate online marketplaces to fence stolen goods.

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ORGANIZED RETAIL CRIME

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Department



ORGANIZED RETAIL CRIME (ORC)

Organized retail crime (ORC) involves the large-scale theft of everyday consumer items and potentially has much broader implications. Organized groups of professional shoplifters, or “boosters,” steal or fraudulently obtain merchandise that is then sold, or “fenced,” to individuals and retailers through a variety of venues. In an increasingly globalized society, more and more transactions take place online rather than face-to-face. As such, in addition to relying on physical resale markets, organized retail thieves have turned to online marketplaces as means to fence their ill-gotten goods.

EFFECTS OF ORC

ORC exposes the United States to costs and harms in the economic, public health, and domestic security arenas. The exact loss from ORC to the retail industry is unknown, but estimates have ranged from \$15 billion to \$37 billion annually. The economic impact, however, extends beyond the manufacturing and retail industry and includes costs incurred by consumers and taxes lost by the states. The theft and resale of stolen consumable or health and beauty products such as infant formula (that may have been repackaged, relabeled, and subjected to altered expiration dates) poses potential safety concerns for individuals purchasing such goods from ORC fences. In addition, some industry experts and policy makers have expressed concern about the possibility that proceeds from ORC may be used to fund terrorist activities.

COMBATING ORC



Current efforts to combat ORC largely come from retailers, online marketplaces, and law enforcement alike. Retailers responding to the 2010 National Retail Security Survey spent an average of 0.46% of their annual sales on loss prevention measures.

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